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TRANSPARENT ACCOUNTABLE GOVERNANCE: ADVANCING THE AGENDA FOR GOOD GOVERNANCE AT THE NATIONAL LEVEL AND IN MINDANAO

USAID-funded project with The Asia Foundation

July 2003

The “Transparent Accountable Governance (TAG)” project being undertaken by The Asia Foundation, with support from USAID,¹ continues to build civil society and private sector constituencies for a counter-corruption reform agenda aimed at economic growth and poverty reduction. USAID and The Asia Foundation are now deepening the engagement of the private sector and civil society in countering corruption, with new attention to corruption and governance at the local level through a comprehensive focus on transparency and good governance in Mindanao.

Building on the successes of the initial national counter corruption efforts under this project, and an improved overall political environment for counter corruption reform, the project currently focuses at three levels: 1) national level counter corruption advocacy; 2) extending advocacy efforts to the city level in Mindanao by promoting transparency and accountability in city governance; and, 3) broadening opportunities for peace and economic development in Mindanao through improved local governance especially in the Autonomous Region of Muslim Mindanao and its neighboring conflict affected areas.

At the national level, efforts continue to focus on maintaining broad civil society and private sector engagement. The Asia Foundation continues to support the Transparency and Accountability Network (TAN), both financially and in terms of direct participation in activities of the Network. TAN has been engaged with the government to work on anti-corruption plans of a number of agencies. In particular to support reforms at the Bureau of Internal Revenue, Office of the Ombudsman and the Department of Education, to support legislation promoting transparency in government transactions and information, to continuously monitor the public’s perception on the extent of corruption in the government, and to continue outreach, information dissemination and periodic advocacy initiatives through the TAN. National level counter corruption advocacy work is being implemented in partnership with the Makati Business Club, Ateneo Center for Social Policy and Public Affairs, Social Weather Stations, De La Salle University’s Institute for Governance, Pagbabago@Pilipinas and the Transparency Accountability Network.

In seven cities in Mindanao, with private sector and civil society engagement, efforts are on track to improve transparency and accountability through procedural reform in city government systems focusing

¹ TAG’s mission is to promote transparency and accountability in government and to build consensus on a concrete agenda for counter-corruption reform through an integrated approach involving public opinion survey research, investigative reports, case studies, and discussions to engage the public on corruption. For an overview of the project, see the website www.tag.org.ph.

on simplifying procedures in the city government, reducing monopoly of power and discretion of city employees and increasing transparency and availability of information to citizens of the city government. Public perception on how city governments perform its mandate is measured through the use of scorecards, of which results have been used to guide local chief executives to set policy directions with respect to promoting transparency and accountability in city governments. Capacity building to technical staff that lends support to process reforms is likewise implemented. The project's major partners for this city level work are the League of Cities of the Philippines which also chairs the Project Steering Committee, the Mindanao Business Council, Mindanao Coalition of Development NGOs, Southern Philippines Research and Extension Foundation (SOPREX), Notre Dame Business Resource Center and Ateneo de Davao Center for Local Governance.

In Mindanao municipalities, different sets of activities continue to be implemented covering several sectors: municipal governments, civil society organizations and local resource institutions. At the municipal government level, technical assistance is being provided to improve local government operations: planning and budgeting, resource mobilization, organizational development, and service delivery. Capacity building both for civil society organizations and local resource institutions is being conducted which increases awareness on local governance and how to be an effective partner in a municipal government. Key partner institutions during this period include the League of Municipalities of the Philippines, Mindanao State University's Center for Local Governance, Bangsamoro Women's Foundation for Peace and Development, Kadtuntaya Foundation Inc., Maguindanao Foundation for Good Governance and Development, Federation of Lanao Sur Cooperative, Muslim Christian Agency for Rural Development, Tawi-Tawi Outreach Development Foundation, Metro Kutawato Development Alliance-Project Management Office, Alternative Center for Organizational Reform, Development Action for Women Networking, STRIDES and the Network of Elected Filipino Women for Good Governance.

Currently, TAG is working in 143 barangays, 48 municipal governments, seven city governments in partnership with sixteen local resource institutions.

To present TAG's wholistic project approach in advancing good governance in the Philippines, this report is divided into three themes which reflect the focus of current project efforts. These include: increasing transparency and accountability in government transactions; public-private sector partnership and constituency building; and enhancing capacities of partner institutions and local government units.

Increasing Transparency and Accountability in Government Transactions

Pervasive corruption in the government both at the national and local level, including bureaucratic and judicial red tape, is one of the major obstacles to the entry of business investments in the country. Encouraging good governance also encourages investor confidence that business will be successful. Through constant engagement with the private sector and civil society organizations, The Asia Foundation under the Transparent Accountable Governance project seeks to maintain public pressure for counter corruption reforms.

Reforms at the Bureau of Internal Revenue

A bill has been filed in Congress which seeks to create a new revenue authority with strong accountability and performance-based features. The Asia Foundation in partnership with the La Salle Institute of Governance conducted citizen awareness campaign on the proposed reforms through various workshops including regional citizen workshops for Luzon, Visayas and Mindanao, press briefing, creation of a speakers bureau, and publication of news and feature articles. These activities helped build sustained interest in overhauling tax governance in the country, provided the opportunity to counter the arguments raised by the opponents of the proposed revenue Bill and served as a venue for discussing the salient features and technical aspects of the Bill.

The press briefing on the bill was attended by thirteen members of the Central Bank/Department of Finance Press Corps major newspapers and television networks in the country. This resulted in three national publications on civil society support on the need to re-engineer tax administration. The speaker's bureau served as venue to discuss the reform measure in a multi-media setting. Thirty participants from academic institutions (De La Salle University College of Business and Economics), civil society (Pilipinas Forum, TAN, Evelio B. Javier Foundation, Inc., and Kabataang Liberal ng Pilipinas), and business groups (Federation of Philippine Industries) attended a May 7th briefing as member of the bureau. Participants listened to intense debate on the need to reform tax governance with a focus on the establishment of a National Internal Revenue Authority. Additionally, participants were equipped with tools useful in responding to the media or opponents on the tax reform issue. Former BIR Commissioner Rene Bañez, and Kennedy Coronel served as trainers. Regional citizens' workshops were conducted in Cebu City for the Visayas on June 11, 2003, Cagayan de Oro City for Mindanao on June 26, 2003 and in Baguio City on July 14-15, 2003. The purpose of these citizen's workshops was to build public awareness and support for the revenue authority bill. A total of one hundred twenty (50 in Cebu, 70 in Cagayan de Oro and 80 in Baguio) participants from civil society, business and the academic sectors attended the workshops. These efforts resulted in twelve region publications of articles on the bill and several media footages (5 in Cebu, 7 in Cagayan de Oro and 2 in Baguio).

Two sets of educational materials on tax governance reform were produced to support these efforts: a Primer on Tax Authority Reform, and a Policy Note on "Corporatizing the BIR: Improving Revenue Collections through Institutional Reforms." (attached) Five hundred copies of the Primers and one thousand copies of the Policy Notes have been published and disseminated. A Supportnara@yahoogroups.com was also created on February 23, 2003 for information updates on the proposed revenue Bill. The group has a total of 115 members and has exchanged 191 messages to date.

Right to Information

The Asia Foundation continues to work with the Pagbabago@Pilipinas Foundation in increasing transparency in government information by advocating for the passage of the Right to Information Bill.

On February 24, Access to Information Network (ATIN) Bill (HB 5784) titled "An Act to Ensure Public Access to Official Information and for Other Purposes" was filed in the Lower House by Representatives Joel Villanueva, Kim Lokin, Del de Guzman, Oscar Moreno, Nereus Acosta, Loretta Ann Rosales and Mario Aguja. On February 25, Senator Francis Pangilinan filed the ATIN bill in the Senate (SB 2508). ATIN is working to expand support for the bill among legislators and officials in the executive. Pagbabago@Pilipinas Foundation has also established partnerships with international networks such as Article 19, a U.K.-based organization and Forum Asia, a Thailand-based organization both committed to help put in place freedom of information legislation in various countries. This partnership resulted in participation in an International Seminar/Workshop on Freedom of Information Legislation on March 17. In addition, five questions concerning the right to information were included in the Social Weather Stations first quarter survey to assess public perception of the level of understanding to the public's right to access official information from the government. Currently, Pagbabago@Pilipinas is working with the Macapagal Arroyo Administration on a certification from the President to declare the ATIN Bill urgent. Planning for media forums and a regional workshop are underway and results of the SWS survey will be analyzed and utilized as reference in determining key activities for future activities on public information and popularization of the campaign on transparency in information.

Textbook Monitoring with the Department of Education

The Department of Education (DepEd) launched a nationwide monitoring campaign for the delivery of approximately 37 million textbooks nationwide under the SEMP2/TEEP procurement of the World Bank which started on June 25 and will be completed by September 2003. The need to monitor the textbooks delivery is based on reports of losses and diversion of books to unknown recipients. To ensure the efficient delivery of these books to the districts and high schools, the DepEd has called upon the help and support of civil society organizations (CSOs) in monitoring these activities to promote transparency and accountability, showing its willingness to engage citizens in its reform initiatives. In partnership with the Ateneo Center for Social Policy and Public Affairs, the Foundation will support the monitoring of two delivery sites in each of the four zones. Zones we selected in consultation with DepEd, among these are: Zone 1: Abra or Bulacan and La Union, Zone 2: Masbate or Quezon and Batangas, Zone 3: Antique and Cebu City; and Zone 4: Cagayan de Oro and Surigao del Sur. Process monitoring will start on July 9 for Zone 3. Upon completion of monitoring in all selected sites, the results and findings on the feasibility of the current monitoring system will be presented in a sharing workshop between stakeholders. Eventually, a public presentation will also be conducted in consultation with the DepEd.

Procurement Reform

The recently passed Procurement Reform Act (RA 9184) provides a legal basis to minimize corruption, cut delays, and limit discretion in public procurement by increasing transparency, accountability, and efficiency in the process. The Asia Foundation worked in partnership with Procurement Watch, Inc. in its contribution to the formulation of implementing rules and regulations guidelines. Two consultative workshops were conducted involving national government agencies and local government units to

generate feedback on the draft Implementing Rules and Regulations (IRR). Results of these two consultations were presented to the Inter-Agency Technical Working Group (TWG) on February 13, 2003. Thereafter, the TWG met five more times (February 20, March 26 & 28, April 21 and June 23) to formulate the draft the IRRs while the Government Procurement Policy Board (GPPB) met four times during the same period (March 5, April 2, May 26 and June 26) to deliberate on the draft. Members of the Congressional Oversight Committee for this Act were present during the TWG and GPPB meetings. One major issue which remains to be clarified is the provision in the draft IRR stating that for future loan/grant agreements, "the Government shall ensure that the provisions of the Act and this IRR shall be observed." International financing institutions have expressed their position that this provision is in conflict with their procurement guidelines, the effect of which may be no more loans extended to the GOP. A meeting of the GPPB is scheduled on July 11 to, among others, resolve the aforementioned issue, after which a final draft shall be forwarded to the President for her approval which is expected to happen before September 30, 2003.

Procurement has been chosen as a focus by 5 cities (General Santos, Iligan, Marawi, Surigao, and Dapitan). Consultants hired by the League of Cities have been mapping procedures and problems, and formulating strategies. We will be ready to roll as soon as the IRRs of the new Procurement Law are finalized.

It has been mentioned that through this project Dapitan was able to lessen corruption at the General Services Office (but we don't know the indicators for this).

Guidebook on Government Processes

In cooperation with concerned national government agencies, local government units, and civil society organizations, the Transparency and Accountability Network will soon publish a popularized guidebook on government processes and transactions of several government agencies. Each guidebook will contain simple, step-by-step guidelines on how to transact business with the selected government agency and will include frequently asked questions on everyday transactions. One thousand copies of the guidebooks will be distributed to homes, schools, corporate and government offices nationwide. Printing of the first government guide to filing cases with the Office of the Ombudsman is underway and will come out before September 2003 ends. The second government guide on conducting lifestyle checks is now in its research stage. They plan to complete the guidebook by the end of the last quarter of 2003.

Transparency and Accountability Network conducted a survey among members of the Executive Council to create a short list of which agencies to focus on. The Office of the Ombudsman was selected for the first guide based on the strong working relationship established with the TAN. The guide will focus on filing charges and complaints with the Office of the Ombudsman. A writer/researcher was hired in March and the first draft was submitted on June 4, 2003. TAN has sent copies to members of the Executive Council for their comments. The next government agency selected to publish

a guide for will be the Land and Transportation Office. Research on this guide will start in August.

Procedural Reforms in Seven Mindanao Cities

Beyond the national-level, there is also a growing need for effective counter-corruption efforts at the local level – especially the city level – where the greatest opportunities for economic growth and job creation now exist. TAG Project’s core strategy for addressing city-level corruption in Mindanao is garnering the political commitment of mayors in support of activities which promote transparency and accountability. The city governments have been receptive to process reforms, and developing partnerships with the private sector. Seven city governments currently take part in this initiative: Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal and Surigao.

The project’s strategy focuses on building capacity in each of these cities to restructure services and administration to reduce local corrupt practices that decrease efficiency, increase the cost of doing business, and discourage investment. The key mechanism to accomplish this strategy is by fostering public-private partnerships between the mayors, political officials, and anti-corruption advisors and the local private sector, NGOs, academia, and the media. This results in a demand for reforms, and citizens’ participation in the design and monitoring of results.

City mayors developed a reform agenda during their training at RAND Graduate School in September 2002. Based on these initial agendas and succeeding discussions with each city, hosted by the League of Cities of the Philippines in December 2002, the following are the identified focus of reforms in each of the city governments: market and slaughterhouse for Cotabato, procurement under the General Service Office for Dapitan, procurement for Iligan, Marawi and Surigao and procurement and shelter for the Island Garden City of Samal. The League of Cities continues to provide technical assistance to each city in the diagnosis and crafting of recommendations for reforms. It has already completed the participatory diagnosis in the seven cities and is now completing the “redesigned” system for implementation.

Mayor Alfonso Casurra of Surigao has stated that his new Revenue Code, passed late 2002, was inspired by the RAND training; the project will track the results in terms of raised revenue.

Local Governance Scorecards

The League of Cities of the Philippines hosted a discussion on local governance scorecards with the Governance Advisory Council and fourteen other cities interested in pursuing a local governance scorecards activity in their respective cities. On March 17, 2003, following this meeting, Professor Klitgaard was able to provide a strong argument for the need for pursuing local governance scorecards which strengthened political buy-in from other cities. As a result, the previous scorecard was revised to take out all the questions which according to the standard deviation made will yield the same results or response from the respondents. The next round of local governance scorecards will be implemented in 18 cities and 4 municipalities from October to December 2003.

Business Permit Renewal Process

To support the procedural reforms being undertaken in the seven Mindanao cities, The Asia Foundation in partnership with several local resource institutions conducted a benchmarking exercise in January to document the business permit renewal process in the seven cities. The objective of the activity was to generate information on the actual renewal process; this included the number of steps, signatories and required documents necessary to complete the renewal of a business permit. Findings and recommendations from the process documentation were presented to the city governments for consideration and appropriate actions. A report integrating the findings and recommendations from the seven cities will be given to the League of Cities and the DILG as additional information to their current efforts to streamline certain government processes. (attached)

- The Iligan one stop shop for the renewal of business permits and licenses was also inspired by the RAND training. They implemented the system for the first time this year and made things more convenient and easy for businessmen.
- Samal Island will also start implementing the recommendations outlined in the business permits study conducted last January in the 2004 permit renewal period (January).

Public Service Excellence, Ethics and Accountability Program

To complement the ongoing efforts on procedural reforms, a Public Service Excellence Program (PSEP) is currently being implemented in the seven cities involving the critical departments within the city governments that lend support to the process reforms. PSEP is a six to eight month intervention that promotes transparency in service, strengthens accountability of local bureaucrats and encourages customer-oriented culture in the delivery of basic services.

In April 2003, a training of trainers on Public Service Ethics and Accountability (PSEA) was also held for the Mindanao-based Centers for Local Governance. PSEA is a module developed by UNDP Paragon in partnership with the Civil Service Commission. It is a two-day seminar-workshop in each department and included sessions on ethics and standard behavior in decision making and public service, accountability in public service; corruption tendencies and perception and the role of culture and values. The last session is an action planning where each department crafts an action plan focused on specific systems where corrupt practices occur, how to detect them and how to put in place correct measures to mitigate corrupt practices.

The Public Service Excellence Program, which leads to the newly designed Public Service Ethics and Accountability workshop (which we designed with the Civil Service Commission from materials made by UNDP) has been ongoing.

- Dapitan is very proud of its PSEP. Things are working better, faster and city government employees are more responsive. The city government keeps on getting positive feedback about the noticeable improvements.
- Mayor Roger Antalan of Samal Island mentioned he is very happy with the results of the PSEP. There was a noted change in the behavior of the city personnel in treating citizens requesting for assistance from the city government.
- Marawi is very happy about how PSEP has enabled the city employees to become more customer-focused. Unlike before where only members of royal families get better and priority treatment for services, city personnel are now better equipped to handle situations where they have to prioritize other citizens seeking service ahead of those belonging to royal family. Staff no longer simply perform their jobs but is also conscious of the mission of the city government

eGovernance Issues and Definitions Round Table Discussion

As support to the ongoing procedural reforms in the seven cities in Mindanao, The Asia Foundation sponsored a round table discussion on the major issues facing local governments in pursuing eGovernance initiatives. The issues raised included: inconsistency of national and local laws; Commission on Audit's arbitrary interpretation of laws; lack of guidelines for local government units on software and design specifications; local government management requirement versus software requirements; managing change in the way things work at the city government level; lack of a standard classification set forth for software developers that local government can refer and rely on. The discussions were attended by Under Secretary Ver Pena of ITECC, representatives from three city governments and the League of Cities and the League of Municipalities.

Public-Private Partnership and Constituency Building

Complementing the work on increasing transparency and accountability in government transactions, The Asia Foundation is deepening the engagement of private and business organization and civil society organization in counter advocacy at the national level and promoting transparency and accountability at the local level.

Enterprise Survey

The Enterprise Survey on Public Sector Corruption now on its third round, is an annual survey conducted by the Social Weather Station, in partnership with The Asia Foundation and the Makati Business Club. The survey involves over 500 executives from small, medium and large corporations in Metro Manila and provides the most detailed snapshot of corruption in the public and private sectors from the perspective of businessmen. The Enterprise Surveys are conducted every fourth quarter of the calendar year. It hopes to raise public awareness on how to combat corruption by establishing

benchmarks from which to measure government agencies' performance from year to year. Among the highlights of this year's survey are as follows: two-thirds of the respondents blame tax collectors for tempting citizens to cheat; half of the managers say that corruption is part of the way the government works, rather than the government can be run without it; 22% say there is no agency trustworthy enough to complain to. Relatively, the most trusted are Ombudsman (16%); President (12%) and Dept of Justice (12%); only 25% of the managers say there are not agencies which are not corrupt as compared to 44% in 2001 and 41% in 2000- a favorable trend; solicitation of bribes is widespread but not being reported of those asked, 72% were asked for a bribe connected to taxes; 35% were asked for bribe connected with government transactions and only 5% reported the incident. A presentation of the Enterprise Survey results in April, included members of civil society, private sector, law enforcement and government agencies.

Widening Advocacy Reach

To further spread its advocacy work, the Transparency and Accountability Network is in the process of developing a nation-wide directory of non-governmental organizations which conduct advocacy work on counter corruption, transparency and accountability. The Network will also publish their semi-annual reports and conduct regular press and media briefings to keep the public informed of the Network's activities.

Civil Society TAG Constituency Building

The Transparency and Accountability Network, the Presidential Committee on Effective Governance (PCEG) and the Presidential Anti-Graft Commission (PAGC) conducted a series of workshops with 39 government agencies to craft specific anti-corruption plans. Based on the result of the initial workshop, ten of the most receptive agencies were selected. The anti-corruption plans being crafted by these agencies are expected to be implemented beginning in January 2004. To date, sixteen focus group discussions have been conducted to incorporate other stakeholders' input into the anti-corruption plans of these agencies.

Final versions of anti-corruption plans of a selected number of the priority agencies include the following critical areas: (1) Streamlining, automating or changing processes and reorganization for the Bureau of Customs, (2) Simplifying legislation and other legal actions by the Bureau of Internal Revenue, Department of Environment and Natural Resources and the Department of Health; (3) Civil society involvement for monitoring by the Department of Environment and Natural Resources and the Department of Health; (4) Posting of process flows/ information campaign by the Bureau of Internal Revenue, Department of Environment and Natural Resources, Department of Education and the Department of Agrarian Reform; (5) Strengthened sanctions by the Bureau of Internal Revenue, Department of Environment and Natural Resources and the Department of Health; (6) Establishment of Oversight Committees by the Bureau of Internal Revenue and the Department of Agrarian Reform; (7) Limiting Discretion/ Creating Accountability in the Bureau of Internal Revenue and the Department of Environment and Natural Resources; and (8) Information Management by the Bureau of Customs, Bureau of Internal Revenue, Department of Education and the Department of Agrarian Reform.

In the succeeding months, the TAN, PCEG, Ombudsman and the PAGC will secure final copies of the anti-corruption plans with the agency head's signature (as indication of commitment to the plan) and identify among TAN member organizations monitors per priority agency.

In Mindanao, to complement the work of the private/business sector in the seven cities, the Mindanao Coalition of Development NGO Networks (MINCODE) is actively involved in consolidating a civil society agenda for transparent and accountable governance at the city level. Member organizations of the coalition located in the seven pilot cities of the TAG project have been tapped to participate in the agenda building in the seven cities. A project orientation and coordinators' meeting was held to validate their commitment and discuss the basic indicators of the logical framework for implementing the project. Sectoral focus group discussions (FGDs) were likewise conducted in the cities of Surigao, Samal, Dapitan, and General Santos included participants from the academe, women groups, cooperatives, religious groups, urban poor. Focus Groups came up with an agenda highlighting the role of civil society in promoting good governance reforms. FGDs in the cities of Iligan and Cotabato are scheduled in July. In Surigao, the project is moving ahead with an action reform agenda, which has already been presented to local government officials and other civil society groups during a local governance forum. In Marawi, initial activities are just taking place to prepare an action plan. MINCODE's partners in the seven cities include: Mahintana Foundation in General Santos, REACH Foundation for Surigao, Pailig Development Foundation in Iligan, MARADECA, Inc in Marawi, LAWIG Foundation Inc. in the Island Garden City of Samal, Kadtuntaya Foundation in Cotabato city, and Resource Center for Empowerment and Development, Inc for Dapitan.

A local governance forum will also be held between September and December 2003 to serve as a venue for information exchange and collaboration between government and civil society groups in promoting transparent accountable governance-related programs and activities. Civil society's anti-corruption agenda will be presented and discussed during the forum and possible areas for cooperation will be identified. Networking strategies, consolidated from the earlier focus group discussion will be used for this activity. An organizational mechanism will also be agreed upon for the formation of a civil society watchdog in each city in monitoring TAG-related activities.

Coalitions for Transparent Accountable Governance

The Mindanao Business Council is now moving forward with the objectives of strengthening commitments of city coalition members to mobilize private sector and civil society participation in the promotion of transparency and accountability in government. Strategies in implementing action plans have already been launched in the cities of Surigao, General Santos, Iligan, Cotabato and Samal. CCTAG Assemblies in each city, composed of representatives from the local government, civil society and chambers of commerce, have already been established. CCTAG workshops have been highly successful with the invited participants being very responsive to the presentation of action plans. Their expressed willingness to commit to the coalition is an encouraging indicator that reforms will soon be taking place, specifically in the business permit renewal process, procurement system, feedback monitoring mechanism, Investment Code, and the organizational structure of the City Development

Council. Working committees in each city have been set up for facilitating reforms to happen in targeted time frames. The cities of Marawi and Dapitan, however, have yet to begin with the implementation of formulated action plans since they are still in the process of establishing a city coalition.

Media Involvement

A special issue on ground-breaking issues in Mindanao has been published and distributed nation-wide by Newsbreak. The publication proposed new ways of dealing with the insurgency problem in the region, encouraging a healthy public debate on the future of Mindanao, and provided inputs that can be helpful in formulating policies towards regional development. Newsbreak will also be publishing three special reports on bureaucratic corruption. In June, it did a story on Military Housing (and this is the initiative which explicitly cited TAF/USAID as funding source though it emphasized that we exercised no editorial influence). This issue was one of the motivating factors in the subsequent coup attempt in July. Newsbreak, with its succeeding special reports will continue to examine government institutions focusing on bureaucratic corruption in government contracts that include build-operate-transfer projects among others.

The TAG project website (www.tag.org.ph), which is being maintained by the Makati Business Club, presents the initiatives of the government, civil society and the private sector in addressing corruption. It contains downloadable versions of investigative reports, case studies, surveys and other updates about anti-corruption projects in the country.

The website of the Transparency and Accountability Network (www.tan.org.ph) has also been created as a venue for the exchange of ideas about anti-corruption issues and coordination of anti-corruption initiatives. Information on the strategies and projects being accomplished by the TAN coalition can be viewed through the website.

The Tax Authority Reform Website (<http://system.dlsu.edu.ph/lsg/tax.htm>) was uploaded in February, 2003. The site is a component of the La Salle Institute of Governance's Citizen Watch on Tax Authority Reform Project. It serves as a hub for monitoring the progress of public support for BIR reforms and the NARA bill. The website contains downloadable education and conference materials including a pdf copy of the NARA bill.

Community Forum and Advocacy: Ulat ng Bayan

The *Ulat ng Bayan* serves as a citizen's monitoring and sustaining mechanism for the implementation of the covenant which was signed between the people of Cotabato City and the 2001 city political candidates. It also serves as a venue for continuous dialogue between and among the people and elected officials for purposes of threshing out problems and identifying possible areas of common undertakings to improve the quality of service to constituents.

The first *Ulat ng Bayan* was held in December 2003, prior to this, a series of community consultation were conducted to discuss issues and concerns related to the implementation of the covenant. Through

this, citizen participation and contribution to sound governance was identified and defined as well as the citizens' expectations from elected government officials was also aired in the forum.

An assessment workshop was conducted in January 2003 to further improve the sound governance project in the City of Cotabato. It was attended by members of the Peoples' Forum for Sound Governance (PFSG) composed of barangay officials and representatives from civil society organizations in Cotabato City working for good governance. It was agreed by the PFSG to continue the sound governance initiative at the community or barangay level. Thereafter, a series of community consultations were held in six (6) barangays of the city where barangay constituents identified issues related to peace and order, livelihood and sanitation and defined the activities to improve the quality of the delivery of basic services. The outputs of these community consultations will be presented to the City Government of Cotabato on the 3rd quarter of this year.

Enhancing Capacity of Partners

The third theme of the Project focuses on enhancing capacities of partners both in the government and the private and public sectors. Largely, this is centered on the project activities in Mindanao and focuses on accelerating the development of improved practices in local governance, increasing the interaction between the civil society, the local government and the private sector, and ensuring the sustainability of governance efforts towards peace and development. Through developing local expertise and partnering with local resource institutions, sustainability of such good governance practices is ensured. Currently, The Foundation currently provides 73 technical assistance packages to 48 municipalities in ARMM.

Resource Mobilization and Management

One of the basic challenges to good governance is the ability of local government units to mobilize and manage local resources to effectively deliver quality and sufficient services. With the decreasing assistance from the national government in the form of the internal revenue allotment, local governments are beginning to explore other possible sources of revenues to tap innovative approaches to identify additional income to finance and augment the citizens' needs for basic services.

In order to address the perennial problem of so much to deliver with so few resources, The Asia Foundation assists local government units to develop and use their existing resource base as a potential source of revenues through the development of public economic enterprises that are practical, and viable for the local government to manage.

Seventeen municipalities in Lanao del Sur and eleven municipalities in Maguindanao are being assisted by the Project for this activity. Among the most common identified enterprises to be developed for feasibility study are: integrated bus terminal, construction of farm-to-market roads, socialized housing, eco-tourism, service facility for forest products, community emergency hospital, spring water system development, and construction of post-harvest facility.

The enterprise development and investment promotions modules consist of sessions on sustainable integrated area development and investment promotions framework planning, project development workshop and field coaching. As output, municipal governments' project development teams complete a project feasibility study for an identified strategic project and a business plan. Municipal project teams are also trained how to organize and manage a strategic project's marketing program.

Local resource institutions involved in delivering technical assistance on resource mobilization are: Mindanao State University's Center for Local Governance, Federation of Lanao Sur Cooperatives and the Muslim-Christian Agency for Rural Development and the Metro Kutawato Development Alliance-Project Management Office.

Development Planning

With limited financial resources, local governments exercise prudence in making sure that available resources are well budgeted and managed and go to the development programs and projects that reflect the priorities of the citizenry. To be able to do this, The Asia Foundation provides technical assistance to local governments on planning and budgeting using a methodology that values community participation.

Currently, it provides assistance to fourteen (14) municipalities, ten in Maguindanao, two in Lanao Sur and two in Basilan for the conduct of barangay administration orientation, planning and budgeting workshops. These fourteen municipalities cover a total of 143 barangays. Currently, 82 of these barangays have completed their barangay planning and budgeting workshops. Priority projects of two of these barangays are already being considered for funding by Growth with Equity in Mindanao Project while one was already funded out of the barangay and municipal fund.

The assistance for barangay administration planning and budgeting consists of a one-day orientation course on the mandates of barangay governments and roles and functions of barangay officials, and a two-day session on planning, prioritizing and budgeting strategic barangay projects identified. The one-day orientation course is conducted in partnership with local offices of the Department of Interior and Local Government. The planning and budgeting sessions on the other hand are conducted by trained local facilitators. After the three-day workshop, barangays are expected to come up with a concrete document that lays down the priority project the community identified and a barangay resolution for funding support of these strategic priorities.

At the municipal level, The Asia Foundation provides technical assistance on crafting the Municipal Comprehensive Development Plan (CMDP), using the Sustainable Integrated Area Development Approach. Twenty municipalities are being assisted under this activity: eleven in Lanao del Sur, three in Maguindanao and six in Tawi-Tawi. Local resource institutions involved in providing technical expertise are: Maguindanao Foundation for Good Governance and Development, Federation of Lanao Sur Cooperatives, Muslim-Christian Agency for Rural Development and Tawi-Tawi Outreach Development Foundation.

Participatory Governance

To pursue meaningful and sustainable integrated area development which works to accelerate the delivery of basic services from the municipality to the barangays, and ensure that services provided are relevant to the needs of the communities, The Asia Foundation is partnering with the Institute for Strategic Initiatives (ISI) and the Alternative Center for Organizational Reforms and Development (ACORD) to provide assistance to the 34 barangays of the former Camp Abubakar town, covering the municipalities of Buldon, Barira and Matanog in the province of Maguindanao and fifty barangays in the municipalities of Bongao and Simunul in Tawi -Tawi. The project focuses on promoting barangay development planning through participatory rapid appraisal from the barangay up to the municipal level.

Included in the technical assistance is sectoral organizing formation and planning at the barangay and municipal levels, barangay development planning through participatory rapid appraisal to generate data for use in the barangays and municipalities' five year development plans, annual investment plans and annual operational plans. A training of trainers course on the Basic Orientation on Barangay Governance was conducted by ISI for all barangay officials of the 34 barangays of the three municipalities in Maguindanao. ISI has also completed their BDP-PRA Facilitator training last June 3-7 for Matanog and Barira and June 10-14 for Buldon. BDP-PRA practicum followed last June 24-28 in Bayanga Norte (Matanog), Aratuc (Buldon) and Poblacion (Barira) facilitated by the municipal pool of facilitators.

For Tawi-Tawi, ACORD has just conducted courtesy calls to Local Chief Executives and Barangay Officials in Bongao and Simunul. They are now in the process of crafting the MOA between the municipality, ACORD, SANGSA and TAF to formalize the Municipal Technical Working Group (MTWG). Expected MOA signing will be on the last week of July or first week of August 2003. Basic Orientation on Barangay Governance will follow after the MOA signing.

Gender Integration in Local Governance

The question of gender equality is particularly acute in the Autonomous Region in Muslim Mindanao. It is well-known that those provinces rank lowest on the Human Development Index; what is less well-known is that they also have the highest Gender Disparity Index.² It is only in the ARMM region where women have significantly lower literacy (59% functional literacy) and educational attainments than men. Compounding the problem is the domestic roles prescribed by cultural norms, which hinder the productive potentials of the women.³ The Asia Foundation has been striving to address these issues through such means as attention to female participation in all workshops under the Transparent Accountable Governance, attendance at the January 2003 Strategic Planning Workshop and Capacity Assessment of the Regional Commission on Bangsamoro Women, and the inclusion of gender considerations in participatory budget processes.

2 1997 Philippine Human Development Report: Women and Gender in Development (Human Development Network, Quezon City: 1997)

3 Bangsamoro Women Marching Towards 2020: Facilitators' Guide to RCBW 2003 Strategic Planning

The Asia Foundation has given a grant to the Institute for Strategic Initiatives (ISI) to provide technical assistance to the Regional Commission on Bangsamoro Women (RCBW) to conduct five provincial conferences to be held starting in August. The objective of this activity is to validate the results of the Capacity Assessment of the Commission held in January 2003 in Cotabato City. During these conferences, the Bangsamoro Women Mobilization Strategic Plan will be reviewed and possible strategies for implementation will be discussed. A proposed methodology to pursue the implementation of the plan and its strategies will be recommended for its constitution to the provincial legislative assembly. The conference will also seek a policy recommendation as to how the Gender and Development (GAD) budget of the barangays, municipalities and provinces can be consolidated to support the plan in the respective provinces.

A technical assistance on the conduct of Regional Summit on Women Development Mobilization shall also be provided by the Foundation to the Commission. The regional summit will commence with the presentation of women development mobilization plans by each province to be consolidated into the regional women development mobilization campaign plan. A proposal on the creation of a Muslim Mindanao Women Development Mobilization Council shall be crafted. The regional government shall also invite representatives from regional agencies and offices, as well as other donor agencies and organizations, to gather support for the particular activities in the mobilization plan.

At the municipal level, gender budget research is being undertaken by the DAWN Foundation in partnership with STRIDES, in selected municipalities in four ARMM provinces: Datu Piang for Maguindanao; Balindong for Lanao Sur, Simunul for Tawi-Tawi and Maluso for Basilan.

Organizational Development

The initial technical assistance given to the Metro Kutawato Development Alliance (MKDA) focused on strengthening the current project management office was completed on April 30, 2003. As a result of this initial technical assistance, the MKDA Project Management Office was able to access funds worth P22M from the Department of Agriculture for the development of agri-based economic enterprises of the member municipalities. The basis of the funding was the sectoral plans of the member municipalities which was crafted with technical assistance from TAG/TAF.

The second grant for the Alliance's Project Management Office dubbed ACTIVE for Action of the Community Towards Innovative and Viable Enterprises is expected to further strengthen the Project Management Office's (PMO) capacity as a Local Business Resource Center that will be able to provide technical expertise on the development of agriculture-based enterprises to be identified by the MKDA municipalities and implement a modified public service excellence program for its members. A strategic planning workshop was held in early June 2003 by the Project Management Office and representatives of the MKDA municipalities, to identify the viable enterprises to be developed for feasibility study and funding. Following this, a coordination meeting with Upi Agricultural School (UAS) was held on June 25, 2003 purposely to strengthen partnerships between the MKDA Project Management Office and the Upi Agricultural School which is expected to provide the resource persons to the municipalities while developing their agriculture-base enterprises.

Awareness Building for Bangsamoro NGOs

Recognizing the critical role that civil society organizations play in the entire gamut of local governance especially in ARMM, The Asia Foundation has been instrumental in strengthening the Bangsamoro Consortium. This consortium comprises 57 civil society organizations in ARMM and its neighboring conflict affected areas.

The assistance to Bangsamoro Consortium is being undertaken by the Kadtuntaya Foundation Inc. (KFI), and includes awareness building on the Local Government Code and its implementing guidelines, training on Islamic Governance, Advocacy Management and training on Basic Group Facilitation method. The idea is to increase civil society's understanding of the provisions of the local government code, governance and leadership in the Islamic context and to be able to provide skills to enable civil society organizations to conduct effective advocacy programs and constructive dialogs with local government units.

KFI conducted awareness building seminars to enhance understanding of the Local Government Code for its consortium members. They are also currently working on the second draft of their Islamic Governance module which is expected to provide basic and important information on Islamic culture and governance. The module is still a work in progress as contributions from knowledgeable and respected authorities on Islam and governance are being solicited. On July 17-31, 2003, a series of trainings on Advocacy Management will be given to the members. For ease in managing the activities, KFI has divided the Consortium members into 3 regions: Kutawato (for the provinces of Maguindanao and Cotabato and cities of Cotabato and General Santos); Lanao (for the provinces of Lanao del Sur and Lanao del Norte and the city of Marawi); and ZAMBASUTA (for the provinces of Zamboanga del Sur, Basilan, Sulu and Tawi Tawi and the cities of Zamboanga and Pagadian).

Technology of Participation

Aside from the technical assistance at the municipal level, The Asia Foundation has also trained 244 local facilitators, municipal planning and development officers, municipal local government operations officers, other local officials and civil society representatives on the Technology of Participation (ToP1).

ToP is both a facilitation methodology and a planning tool. As basic facilitation methodology ToP values participation of stakeholders, consensus building and team work leading to action. As a planning tool, ToP emphasizes objectivity, timeliness and concrete actions. It is expected that participants trained under this methodology have become better equipped with the foundations of facilitative leadership centered on community participation.

ToP trainings were conducted by the following local resource institutions: Bangsamoro Women Foundation for Peace and Development, Mindanao State University-Center for Local Governance, Maguindanao Foundation for Good Governance and Development, Metro Kutawato Development Alliance, Tawi-Tawi Outreach Development Foundation, and Kadtuntaya Foundation, Inc.

Peace Initiatives

The creation of the Local Monitoring Teams (LMTs) is one of the positive things that came out of the Government of the Republic of the Philippines and the Moro Islamic Liberation Front (GRP-MILF) peace talks. It represented the efforts of both panels not only to involve a greater number of people from the grassroots in the peace process, but also to open up the peace process to the general public, creating awareness about a process which had been previously considered a secretive activity. Creating Local Monitoring Teams encouraged active participation in a process which directly affects local residents' lives and which they feel they have every right to be involved with.

Local Monitoring Teams are organized in thirteen provinces classified as conflict-affected areas in Mindanao. These provinces are Maguindanao, Lanao Sur, Lanao Norte, Cotabato, Sultan Kudarat, South Cotabato, Davao Oriental, Compostela Valley, Zamboanga Norte, Zamboanga Sur, Zamboanga Sibugay, Sarangani and Basilan.

The Asia Foundation's assistance to LMTs are largely focus on ensuring a workable mechanism that will guarantee the uninterrupted implementation of the cease-fire agreement, prevent the escalation of conflict in the region, so that peace negotiations may prosper and economic development will not be hampered.

A Project Coordinating Office for Local Monitoring Teams (LMTs) has already been established to support the peace process in Mindanao. Advocacy Mindanow Foundation has been tasked to implement the capability building of the different municipal and provincial LMTs. Monitoring visits have been conducted in Zamboanga Sibuguey, Lanao Norte and Lanao Sur between the period of January to June and mechanisms are being put in place to establish Zones of Peace, which include municipalities affected by the recent hostilities in the Buliok complex. Discussions on how to establish these mechanisms were held on April 7, 2003 in Pikit, Cotabato which basically utilizes the existing structures of the Barangay Peace and Order Council. Members of the councils, as well as barangay leaders and representatives from non-government organizations, people's organizations and the Council of the Elders went through a training on May 6-8, 2003 to re-orient them on their roles in the peace process. Coordination meetings are also held regularly to discuss updates and issues on the armed conflict in their respective provinces and in Mindanao as a whole. A commitment of members of LMTs was clearly conveyed during their interactions with the government peace negotiating panel and the coordinating office. Continued efforts to strengthen the LMTs are taking place despite the suspended peace negotiation scenario.

Two dialogues between Local Monitoring Teams and military (December 2002 in Cotabato City, July 2003 in Pikit, Cotabato) kept lines of communication open. Current talks (Coordinating Committees on the Cessation of Hostilities) emphasize the importance of these LMTs.

Good Governance Initiatives

A workshop for the Management Committee members of the House of Representatives to draft a proposal for funding assistance in establishing a new revenue authority was hosted by the University of Asia and the Pacific. A succeeding workshop on crafting the legislative agenda for the new Congress was also conducted to define the directions and activities of the long-term program. A training on economic analysis, project analysis, good governance, and business and social ethics shall also be conducted between May to June 2003, as follow through activities in order to improve the research and analytical capabilities of the technical staff tasked to prepare reports on specific legislative issues.

The Institute for Solidarity in Asia hosted the An Open Conference on Cooperation for Responsible Citizenship and Corporate Governance on May 27, 2003 at Shangrila Hotel, Makati and attended by representatives from the government agencies, banks, entrepreneurs, civil society organizations and the youth. The objective was to restore confidence in public institutions, the business sector and civil society groups and strengthen ethical leadership in all sectors and professions, starting with the corporate sector in promoting proper governance.

The Asia Foundation is supporting the development and pilot testing of a rapid field health guide in the province of Benguet in Cordillera. In partnership with the Network of Elected Filipino Women for Good Governance, TAF hopes to come up with a useful guide and methodology for health service deliverers in the Autonomous Region of Muslim Mindanao. Key informant interviews and document gathering on the health status and conditions of the province of Benguet were already made and the identification of data requirements, determination of study sites and sample sites and development of instruments are underway. The project is expected to come up with a viable picture on how an ideal local health delivery system is likely to work which The Foundation hopes to make use in the Autonomous Region of Muslim Mindanao.

The League of Municipalities of the Philippines hosted the Sharing Conference on Emerging Good Governance Practices in ARMM on May 30, 2003. The conference gathered all Municipal Mayors, Planning Officers and partner local resource institutions in ARMM to share their various experiences regarding the TAG project and distill from these experiences lessons and suggestions that will further enhance the project's continued implementation. Around 70 participants from 40 municipalities in the region attended the conference.